

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Chile

Post: Santiago

Fresh Cherry production update

Report Categories:

Stone Fruit

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Report Highlights:

Cherry exporters expect to double shipments for this production season

General Information:

At 2.5 million tons, Cherry shipments accounted for 0.8% of the volume of the Chilean food export industry and 5% of the total value in the 2008/9 season. This figure could double during the 2010/11 production season as a result of a major increase in production and a strong demand from the Asian market, mainly China.

This surge in exports would replicate the 2007/08 season when the industry managed to almost double exports from 4.5 million to 8.7 million cases. Since then productivity has increased significantly as new orchards that have been planted since 2004/5 with modern technology (more productive varieties, higher density, etc.) are coming into production and some are at full production stage. Production yields before 2004/5 averaged 2 MT per hectare and, as a result of the use of modern technology in planting and production process, an industry source has indicated that it will be easy to obtain 3 or even more MT per hectare.

For the coming 2010/11 production season, keeping in mind that as a result of cold weather during the winter months, enough cold hours have accumulated for an excellent budding, we can expect a significant increase in yields. With the current estimates of total planted area of 17,243 hectares, 53,400 MT of production can be expected with a base yield of 3 MT/Ha, but another industry source estimates that yield could be as high as 4.1 MT/Ha; total output could be as high as 68,900 metric tons that is 13.5 million cases. In his view, these increases mean double the shipments made last season (6.7 million cases).

Industry insiders report that the increased demand from China will absorb a large part of this increase, if so this should raise prices up to US\$ 6 per kilo. Chinese imports have increased from 22 percent in 2008/09 to 42 percent in 2009/10 production season of total exports. It is expected that exports to that market should increase as the availability of cherries coincides with a high demand as a result of the Chinese New Year celebration.

There are two factors that could have a negative effect on the final total output, which is weather during spring time (rain) and the availability of enough labor for the harvest. An industry source has indicated that last year they already observed a labor shortage in most harvesting areas, this could increase this year with the expected increase in production.